

OGC HAS REVIEWED.

**RESTRICTED**

Management Officer

13 January 1960

General Counsel

Proposed Administrative Instruction on  
Classified Contracts Security

1. We have concurred in the attached draft insofar as legal requirements are concerned. We submit the following comments for consideration by you:

(a) It is not quite clear to us whether or not the security clearance is a pre-requisite to execution of the contract. If it is so intended, we believe it should be made more specific in the Instruction, particularly as it applies to clearance of all the contractor's personnel.

(b) Frequently subcontracting is provided for with approval by the Contracting Officer. Presumably, if the subcontractor must have access to classified material, the same provisions would obtain. Perhaps some provision should be made, therefore, to cover subcontracts involving knowledge of the classified material as opposed to mere procurement of parts from outside sources. This might be left to the discretion of the Contracting Officer.

(c) As you have probably already noted, there is an apparent typographical error in paragraph 4, line 3, in that the word "name" does not appear to fit in the context of the sentence.

LAWRENCE R. HOUSTON

Attachment: Proposed Admin. Instr.

LRH/ml1

cc: Central Records

Chrono  
✓ Subject

**RESTRICTED**